Pacific Ridge exploration ltd.

(An Exploration Stage Company)

Management's Discussion and Analysis (MD&A)

(Form 51-102F1)

Year ended December 31, 2019

This Management's Discussion and Analysis ("MD&A") of Pacific Ridge Exploration Ltd. ("Pacific Ridge" or the "Company"), dated **April 24, 2020**, provides an update on the Company's business activities, financial condition, financial performance and cash flows for the year ended December 31, 2019. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") in Canadian dollars (unless otherwise indicated). The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3", and "Q4" respectively.

The following information should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2019 and 2018.

The Company's shares are listed on the TSX Venture Exchange under the symbol "PEX". Additional information related to Pacific Ridge is available on the Company's website at www.pacificridgeexploration.com or on SEDAR at www.sedar.com

Forward Looking Statements and Risk Factors

This MD&A contains forward-looking statements that are related to the Company's activities and future financial results. The results for the current periods are not necessarily indicative of the results for any future period. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance as the mineral exploration business is not without risk and most exploration projects will not become mines. The Company is subject to a number of risks and uncertainties due to the nature of its business and the early stage of its exploration projects. A detailed discussion of risks is presented below in the last sections of this MD&A.

Pacific Ridge's disclosure of a technical or scientific nature has been reviewed and approved by Mr. Gerald G. Carlson, Ph.D., P. Eng., President and CEO of the Company, and a Qualified Person under the definition of National Instrument 43-101.

Highlights for the year 2019

The Company completed a four-hole, 1,087 m core drill program on its Spius Cu-Mo porphyry property during the 2019 field season, intersecting porphyry style alteration and mineralization in every hole. However, the 2019 drill program at Spius encountered a weakly mineralized copper-molybdenum porphyry system.

None of the grades in the four holes drilled encountered copper values higher than 0.2% Cu, which is well below that required for economic concentrations. The Company feels that the mineralized system has been reasonably well tested. One area that needs further evaluation is just north of the 2019 drill holes, where one surface sample yielded high grade copper. This area will be further evaluated with trenching in the 2020 field season.

The Company continued its search for a new acquisition, focusing on copper and gold in Yukon and British Columbia. Subsequent to year end it announced the option to earn up to a 75% interest in the Kliyul and Redton porphyry copper-gold projects in north central British Columbia from Aurico Metals Inc., a wholly-owned subsidiary of Centerra Gold Ltd.

Summary of First Quarter Activities

During the first quarter, the Company focused on new acquisition opportunities and plans for its 2019 drilling program planned for its Spius copper porphyry project in British Columbia. No exploration programs were undertaken during the quarter. The Company announced that it had dropped the option to earn an interest in the TL Zinc project and that it had terminated the option of Four Nines Gold to earn an interest in the Company's Mariposa project.

Summary of Second Quarter Activities

During the second quarter, the Company completed a four-hole, 1,087 m core drill program on its Spius Cu-Mo porphyry property testing a combination of soil geochemical and IP geophysical targets. Porphyry style alteration and mineralization was encountered in every hole. The Company terminated Trifecta Gold's option to earn an interest in the Eureka Dome property.

Summary of Third Quarter Activities

In July, the Company announced summary results from the four-hole, 1,087 m core drill program at its Spius project and announced the results of a surface sampling program, including 9.75 gpt Au and 15.7 gpt Ag from a surface sample at the Hackly Zone, at its Mariposa project.

Summary of Fourth Quarter Activities

No exploration was carried out and no exploration results were announced during the fourth quarter. The Company focused on the search for new acquisition opportunities.

Mineral Properties

Spius, British Columbia

On April 27, 2018, the Company acquired an option to earn a 100% interest in the Spius Cu-Mo porphyry property by making payments of $210,000 ($50,000 paid), issuing 1,000,000 shares (400,000 issued) and completing $825,000 in exploration by December 31, 2021. The property is road accessible and located 40 km southwest of Merritt, British Columbia. In the fourth quarter of 2019, the agreement was re-negotiated, extending all cash and share payments and exploration work requirements by one year.

The Spius property was explored for its porphyry potential in the 1960's and early 1970's. Exploration focused on a gossan area where work included an IP survey, trenching and 27 percussion and core drill holes. The drilling was shallow, with none of the drill holes exceeding 100 m. Recent exploration has defined a central copper soil geochemical anomaly. Two float samples of porphyry style mineralization with disseminated chalcopyrite assayed 2.53% Cu and 1.43% Cu.

In the fourth quarter of 2018, the Company completed an IP geophysical survey, additional soil sampling and a prospecting and geological mapping program over the core target area. The soil survey confirmed earlier sampling results and defined a central copper soil anomaly, 900 m by 750 m and open to the south, ranging from 100 ppm to over 4,000 ppm Cu. The IP survey defined a horseshoe-shaped, high chargeability anomaly that envelopes the copper soil anomaly. The chargeability anomaly is believed to represent the pyritic halo of a porphyry copper system, surrounding a copper mineralized shell or core zone.

Mineral Properties (continued)

Spius, British Columbia **(continued)**

In June 2019, the Company completed a four-hole, 1,087 m core drill program on the property testing a combination of soil geochemical and IP geophysical targets. Porphyry style alteration and mineralization was encountered in every hole. In July, the Company announced summary results. The best mineralization was encountered at the bottom of hole SP-19-03, drilled at the northern end of the Copper Zone, encountering 51.8 m averaging.0.099% Cu (224.3 to 273 m), including 39.0 m at 0.113% Cu. (237-276 m) Hole SP-19-04 , located 200 m south of hole 3, encountered 81.0 of 0.071% Cu, (179 to 263 m) including 19.4 m at 0.116% Cu (182-200 m), also at the bottom of the hole Hole SP-19-02, drilled 700 m southwest of hole 3, encountered 25.4 m at 0.0554% Cu and 0.0038% Mo (140.7 to 166 m) and 20.0 m at 0.557% Cu and 0.0018% Mo (250 to 270 m). Additional trenching and sampling is being considered for the 2020 field season to follow up on high grade surface mineralization encountered just north of the drilled area.

Due to the weak results from drilling, the Company decided to impair the $71,000 carrying value for Spius until further assessments are done during 2020.

Mariposa, Yukon

The Company's 100% owned 295 km^2 Mariposa property is in the Yukon's White Gold District, 120 km southeast of Dawson City, 40 km southeast of White Gold's Golden Saddle deposit and 30 km east-northeast of Goldcorp's Coffee property. Prior exploration identified an open-ended 7 km long horizon of altered sulphide bearing quartz mica schist in the Skookum Zone area, in a setting favorable for hosting gold mineralization.

The property was under option to Four Nines Gold Inc. ("Four Nines"). Under the terms of the agreement, Four Nines could earn a 51% interest in the property by making cash payments of $190,000 ($30,000 received), issuing 240,000 common shares (60,000 received) and 30,000 common share purchase warrants (received) and completing $2,500,000 in exploration in staged annual increments by December 31, 2020. However, as Four Nines failed to meet its cash and share payment and work requirement obligations by the December 31, 2018 due date, the Company terminated the Four Nines option.

The Company completed a program of trench mapping and sampling in July. Seven samples collected from the float of quartz vein and stockwork material at the Hackly Zone averaged 2.50 gpt Au and 5.67 gpt Ag, with the highest, 9.75 gpt Au and 15.7 gpt Ag from a hematite-rich sample of quartz vein. All samples were collected upslope from historical trenching, suggesting an undiscovered structurally controlled gold source. The Hackly Zone occurs immediately above a particularly productive placer mining area on Mariposa Creek, noted for pristine gold nuggets that appear to be close to their bedrock source.

The plans for advancing Mariposa include seeking a potential farm-out for the property.

Eureka Dome, Yukon

The Company's 100% owned 32 km^2 Eureka Dome property is located 70 km southeast of Dawson City, within the Klondike-White Gold District. Placer mining activity in Eureka Creek dates to the 1896 gold rush, with estimated historical production from Eureka and Black Hills Creeks of greater than 140,000 oz. Au.

Mineral Properties (continued)

Eureka Dome, Yukon (continued)

In April 2018, the Company optioned Eureka Dome to Trifecta Gold Ltd. ("Trifecta"). Trifecta could earn a 70% interest in the property by making payments of $200,000 ($20,000 paid), issuing 1,000,000 shares (200,000 shares issued) and completing $2.5 million in exploration by December 31, 2022. On April 22, 2019, the Trifecta option was terminated because Trifecta was unable to fulfill its option requirements.

No exploration is planned for 2020.

Gold Cap, Yukon

The 100% owned 1,100 ha Gold Cap property adjoins the northeast boundary of White Gold Corp's Golden Saddle property. The property was staked in 2009 based on an anomalous gold silt sample reported by the Geological Survey of Canada. In 2010, Pacific Ridge collected 1,766 soil samples and defined two anomalous gold zones.

In July and August 2018, the Company completed 368 deep penetrating GT Probe samples at a 5 m spacing and 168 regular soil samples over the two target areas. Geological mapping and prospecting were also completed over these target areas. The sampling further refined the gold target areas and numerous samples of quartz vein float were encountered, but no bedrock gold source was found. Further detailed prospecting, sampling and hand trenching is required over the refined anomalies to detect any related gold mineralization in underlying bedrock.

No exploration is planned for 2020.

Fyre Lake, Yukon

The Company holds a 100% interest in the Fyre Lake copper-gold-cobalt massive sulphide project in the Yukon's Finlayson Lake District. The Company has spent approximately $6.0 million on diamond drilling that resulted in definition of a NI 43-101 compliant mineral resource estimated, at a 1.0% copper cut-off, to contain an indicated mineral resource of 3.6 million tonnes grading 1.57% copper, 0.10% cobalt and 0.61 grams gold per tonne and an inferred mineral resource of 5.4 million tonnes grading 1.5% copper, 0.08% cobalt and 0.53 grams gold per tonne. The resource remains open for expansion.

In December 2016, the Company announced that it had agreed to option a 100% interest in the project to BMC Minerals, more recently amended on December 19, 2018 whereby BMC has the right to acquire a 100% interest in Fyre Lake by making payments as follows:

The Company has received a non-refundable deposit and initial option payment of $375,000 ($25,000 received in November 2016 and $350,000 received in January 2017), a second option payment of $300,000 in December 2017, and a third option payment of $1,200,000 on December 28, 2018 (received). Subsequent to year end, The Company announced that it had re-negotiated the terms of the final $1.22 million payment, which had been due upon BMC obtaining production financing for its Kudz Ze Kayah project, but in any event no later than December 31, 2020. As renegotiated, BMC will pay $250,000 to Pacific Ridge within 20 business days and will pay $1.2 million within thirty days of BMC receiving the Type A Water License for the development of its proposed ABM Mine, but in any event no later than December 31, 2021. BMC will continue to pay $75,000 to Pacific Ridge every six months until the final tranche has been paid, with the next payment being due June 30, 2020.

In addition, BMC has agreed to make a bonus payment of $1,000,000 if and when BMC's Kudz Ze Kayah property has reached commercial production for one year.

Mineral Properties (continued)

RC Gold, Yukon

In 2017, the Company acquired an option on the RC Gold project, including the RC, Bee and Bop claim groups, through two separate agreements.

In August 2018, the Company completed a program of prospecting and mapping, soil sampling (118 samples) and a 4.3 km Induced Polarization (IP) geophysical survey over four priority targets defined by the Company's 2017 program. After a review of the results of the 2018 program, the Company terminated its option and wrote off its $33,000 carrying value in RC Gold in the year ended December 31, 2018.

TL Zinc, British Columbia

The Company negotiated an option to earn a 100% interest in the TL Zinc project. In early December 2016, the Company completed two drill holes for a total of 611 m.

In the first quarter of 2019, the Company formally terminated its agreement to earn an interest in the TL Zinc property and wrote off its $45,000 TL Zinc carrying value in the year ended December 31, 2018.

Summary of exploration expenses:

The following is a summary of exploration expenses incurred in each of the Company's projects:

Property	Province / Territory	Year ended December 31 **2019**	2018
		$	$
Mariposa	YT	**28,023**	594
Eureka Dome	YT	**-**	8,375
TL Zinc	BC	**14,613**	37,293
RC and Bee	YT	**-**	79,408
Spius	BC	**255,555**	94,965
Gold Cap	YT	**-**	73,021
Fyre Lake	YT	**-**	5,810
Kliyul	BC	**5,367**	-
Redton	BC	**5,366**	-
General exploration not allocated to a specific property		**42,966**	59,473
		351,890	358,939

The amounts spent on TL Zinc are mostly related to the termination of the option agreement. The amounts on Spius were related to permitting, and the amounts for Mariposa were related to claim maintenance.

For the recently acquired Kliyul and Redton properties, please refer to the *Subsequent Events* section at the end of this MD&A.

Selected annual information

Selected annual information from the Company's three most recently completed financial years are listed below:

	2019	2018	2017
	$	$	$
Total income	-	-	-
Net (loss) income for the year	(278,072)	386,401	10,385
Basic and diluted (loss) income per share	(0.01)	0.01	0.00
Total assets	1,387,673	1,776,012	1,174,148
Long-term financial liabilities	-	-	
Cash dividends declared	-	-	-

The net income in 2018 and 2017 was due to option payments received from BMC for the Company's Fyre Lake Property, of $1,214,710 and $650,000, respectively, as compared with only $150,000 received during 2019, as well as larger government grants received. This was also reflected in the increase in total assets.

During 2019, while administration expenses and exploration and evaluation costs remained at consistent levels with those of 2018, the Company received smaller property option payments and smaller government grants, resulting in a net loss.

Results of Operations

a) Year-to-date

A summary of comparative administrative and other expense is provided in the table below:

	Year ended December 31		
	2019	2018	Increase (decrease)
Administration expenses	**$**	$	$
Amortization of right-of-use asset	**26,425**	-	26,425
Depreciation	**267**	-	267
Finance lease interest	**3,116**	-	3,116
Insurance	**5,386**	5,225	161
Professional and consulting	**51,015**	34,155	16,860
Management and administrative	**90,032**	88,830	1,202
Office operations and facilities	**22,487**	56,768	(34,281)
Shareholder communications	**13,282**	35,149	(21,867)
Share-based payments	**44,439**	19,957	24,482
Transfer agent and regulatory fees	**18,316**	20,751	(2,435)
	274,765	260,835	13,930
Other expenses (income)			
Exploration and evaluation costs	**351,890**	358,939	(7,049)
Interest received	**(9,470)**	-	(9,470)
Government grant	**(8,979)**	(77,796)	68,817
Mining tax credit	**(37,135)**	-	(37,135)
Property option payments	**(160,000)**	(1,214,710)	1,054,710
Impairment of resource properties	**71,000**	78,000	(7,000)
Unrealized loss in fair value of warrants	**980**	4,350	(3,370)
Reversal of allowance for contingency	**(207,262)**	207,262	(414,524)
Foreign exchange (gain) loss	**2,283**	(3,281)	5,564
	3,307	(647,236)	650,543
Net (loss) income	**(278,072)**	386,401	(664,473)
Other comprehensive loss:			
Net change in fair value of marketable securities	**(8,300)**	(22,500)	14,200
Total comprehensive (loss) income	**(286,372)**	363,901	(650,273)
(Loss) earnings per share (basic and diluted)	**(0.01)**	0.01	
Weighted average number of shares outstanding			
basic	**31,729,009**	31,468,735	
diluted	**31,729,009**	31,539,635	

Results of Operations (continued)

a) Year-to-date (continued)

The Company has not yet determined whether any of its resource properties contain mineral reserves that are economically recoverable. All direct costs associated with the exploration of these properties have been expensed as incurred.

Administration expenses:

With the adoption of IFRS 16, effective on January 1, 2019, the treatment of the sublease agreement for office space changed; instead of having an office rental expense included in office operations and facilities, the Company set up a lease liability and a corresponding right-of-use asset, described in Note 2(n) to the consolidated financial statements for the year ended December 31, 2019, where we now have an amortization of the right-of-use asset and the interest component of the lease as part of the consolidated statement of loss and comprehensive loss.

Professional fees increased in comparison to the equivalent period in 2018 due to legal expenses incurred in connection with the response prepared for the Canada Revenue Agency with respect to the Company's claim of British Columbia Mining Exploration Tax Credit (BCMETC) in the context of the 2016 flow-through private placement, and which had a successful outcome (details below under "Provision for contingent liability). In addition, there were contract negotiations related to the various mineral properties.

Management and administrative expenses were very comparable to those of the comparative period in the prior year.

Office operations and facilities are reduced due to the implementation of IFRS 16, as explained above, where a "right of use" asset was set up, and then amortized over the life of the lease, as explained above.

Shareholder communications was also lower due to a reduction in travelling and attendance to conferences and events related to these activities.

The non-cash stock-based compensation charged on the granting in January 2019 of 1,050,000 fully vested stock options with an exercise price of $0.05 was higher, as during the comparative period only 200,000 stock options were granted.

The remaining administration expenses were comparable with those of the comparative period of the prior year.

Exploration and evaluation expenses:

Exploration and evaluation costs increased due to legal activity related to the termination of the TL Zinc project, and permitting fees for Spius. However the largest component of this line is due to the exploration and drilling activities in Spius, most of which started to take place during the second and third quarters of 2019, and drilling during the third quarter of 2019 (see *summary of exploration expenses*, above). The Company also received $10,000 from Trifecta related to the Eureka Dome property option, and $150,000 from BMC with respect to the Fyre Lake property.

Last, but not least, was the reversal of the provision for the contingency liability as explained on page 12, below.

The carrying values of the Company's mineral properties are reviewed by management quarterly, or when events or circumstances indicate that a carrying amount may not be recovered. The potential impairment indicators include but are not limited to the amount of work performed on the property, results of exploration to date, and plans or budgeting for the future exploration. The Company impaired the $71,000 carrying value of its Spius property effective December 31, 2019. (2018: $78,000 for its TL Zinc and RC Gold properties.

Results of Operations (continued)

b) Most recent quarter

	Three months ended December 31		
	2019	2018	Increase (decrease)
Administration expenses	**$**	$	$
Amortization of right-of-use asset	**6,606**	-	6,606
Depreciation	**236**	-	236
Finance lease interest	**510**	-	510
Professional and consulting	**20,005**	18,900	1,105
Management and administrative	**21,300**	20,962	338
Office operations and facilities	**8,903**	15,868	(6,965)
Shareholder communications	**3,286**	4,087	(801)
Share-based payments	**4,602**	9,929	(5,327)
Transfer agent and regulatory fees	**1,185**	1,491	(306)
	66,633	71,237	(4,604)
Other expenses (income)			
Exploration and evaluation costs	**28,780**	125,019	(96,239)
Interest received	**(2,289)**	-	(2,289)
Government grant	**(8,979)**	(77,796)	68,817
Mining tax credit	**(37,135)**	-	(37,135)
Property option payments	**(75,000)**	(1,214,710)	1,139,710
Impairment of resource properties	**71,000**	78,000	(7,000)
Unrealized loss in fair value of warrants	**-**	30	(30)
Reversal of allowance for contingency	**(207,262)**	207,262	(414,524)
Foreign exchange (gain) loss	**(235)**	(2,331)	2,096
	(231,120)	(884,526)	653,406
Net (loss) income	**164,487**	813,289	(648,802)
Other comprehensive loss:			
Net change in fair value of marketable securities	**1,700**	500	1,200
Total comprehensive (loss) income	**166,187**	813,789	(647,602)
(Loss) earnings per share (basic and diluted)	**0.01**	0.03	
Weighted average number of shares outstanding			
basic	**31,729,009**	31,572,487	
diluted	**31,729,009**	31,643,387	

For the last quarter of 2019, while the discussion for the year-to-date expenses applies to most lines of this most recent quarter, $75,000 in property option payments, as well as the government grant, the mining tax credit and the reversal of the allowance for contingency came during the last three months of the year, resulting in a net income for the quarter. The amount of $4,602 for stock-based-compensation was an audit correction to the original calculations done in Q1 2019. As for the last quarter of 2018, the same could be said except for the setting up of the allowance for contingent liability, reversed during the last quarter of 2019.

Summary of Quarterly Results

The following table sets forth a comparison of information for the previous eight quarters:

	Quarter ended (three-month figures) ($)			
	31-Dec 2019 (Q4)	30-Sep 2019 (Q3)	30-Jun 2019 (Q2)	31-Mar 2019 (Q1)
Revenues	**-**	-	-	-
(Expenses) and other income or recoveries:				
General and administration	**(54,444)**	(35,735)	(58,788)	(53,834)
Lease amortization and interest	**(7,116)**	(7,299)	(7,476)	(7,650)
Depreciation of plant and equipment	**(236)**	(31)	-	-
Share-based payments	**(4,602)**	-	-	(39,837)
Exploration and evaluation costs	**(28,780)**	(57,692)	(235,117)	(30,301)
Interest received	**2,289**	1,949	2,637	2,595
Unrealized loss in fair value of warrants	**-**	-	(110)	(870)
Impairment of resource properties	**(71,000)**	-	-	-
Mining tax credit and government grants	**46,114**	-	-	-
Property option payments	**75,000**	-	75,000	10,000
Allowance for contingency	**207,262**	-	-	-
Net income (loss) for the period	**164,487**	(98,808)	(223,854)	(119,897)
Basic income (loss) per share	**0.01**	(0.00)	(0.01)	(0.00)
Total assets	**1,387,673**	1,392,073	1,686,032	1,726,894
Total liabilities	**87,305**	262,494	452,645	262,653
Shareholders' equity	**1,300,368**	1,129,579	1,233,387	1,464,241
Cash dividends declared	**Nil**	Nil	Nil	Nil

	Quarter ended (three-month figures) ($)			
	31-Dec 2018 (Q4)	30-Sep 2018 (Q3)	30-Jun 2018 (Q2)	31-Mar 2018 (Q1)
Revenues		-	-	-
(Expenses) and other revenue:				
General and administration	(58,977)	(52,221)	(68,368)	(58,031)
Share-based payments	(9,929)	-	-	(10,028)
Exploration and evaluation costs	(125,019)	(143,399)	(73,670)	(16,851)
Unrealized gain (loss) in fair value of warrants	(30)	(3,620)	(6,540)	5,840
Impairment of mineral properties	(78,000)	-	-	-
Mining tax credit and government grants	77,796	-	-	-
Property option payment	1,214,710	-	-	-
Allowance for contingency	(207,262)			
Net income (loss) for the period	813,289	(199,240)	(148,578)	(79,070)
Basic income (loss) per share	0.03	(0.01)	(0.00)	(0.00)
Total assets	1,776,012	777,703	938,775	1,093,264
Total liabilities	233,711	69,120	17,952	8,363
Shareholders' deficiency	1,542,301	708,583	920,823	1,084,901
Cash dividends declared	Nil	Nil	Nil	Nil

Quarterly Information Trends

- During the last quarter of 2019, the Company was able to reverse a provision for a contingent liability, originally set up in Q4 2018, after a successful outcome with the Canada Revenue Agency, as explained on page 12, below. In addition, it was during the last quarter that the Company received the government grants, the tax credits and a significant property option payment, resulting in net income for the quarter. Exploration expenses during this quarter relate to the Spius and Mariposa projects. Lastly, a correction was made to the stock-based compensation related to the options granted during Q1 2019.
- The most prominent figure for Q2 and Q3 2019 relates, as explained above, to the exploration, preparation and drilling activities at the Spius property. General exploration expenditures can vary from quarter to quarter depending on the stages and priorities of the exploration program and the availability of funds.
- Lease amortization and interest were introduced on January 1, 2019, with the adoption of IFRS 16, and plant and equipment was purchased during Q3 2019, with minor depreciation during the third and fourth quarters.
- Share-based payments are the results of fully vested stock options granted during Q1 2019, Q4 2018 and Q1 2018. Share-based payments can vary widely from quarter to quarter based on the timing, amount and tenure of stock option awards.
- During the year ended December 31, 2019, the Company impaired the $71,000 carrying value of its Spius property (2018: $78,000 impairment of the TL Zinc and RC Gold properties).
- Property option payments from BMC took place during Q4 2019, Q2 2019, Q4 2018 and Q4 2017, and from Trifecta in Q1 2019 and Q2 2018 (this one applied against carrying value of the Eureka Dome property and thus not affecting the statement of loss).

Liquidity Working Capital and Capital Resources

The Company's liquidity and working capital figures are as follows:

	December 31, 2019	December 31, 2018
	$	$
Cash	**895,320**	1,213,872
Other receivable	**2,347**	5,196
Marketable securities	**16,700**	25,980
Liquidity:	**914,367**	1,245,048
Prepaid	**6,028**	6,000
Trade payables and accrued liabilities	**(71,888)**	(26,449)
Office lease liability - current portion	**(15,417)**	-
Provision for contingent liability	**-**	(207,262)
Working capital:	**833,090**	1,017,337

The Company is dependent on raising funds by the issuance of shares or disposition of interests in resource properties in order to finance further acquisitions, undertake exploration and meet general and administrative expenses. As at April 24, 2020, the Company has cash on hand of approximately $761,000.

The Company believes it has sufficient cash to sustain its operations for the next 12 months. The longer-term ability of the Company to continue its business is dependent on the continuing success of its exploration programs coupled with available funding through sale of its share capital, funding from option/joint venture parties or disposition of property interests.

Covid-19 Pandemic

The COVID-19 pandemic has negatively impacted global financial markets, and may continue to do so. The economic viability of the Company's business plan is impacted by its ability to obtain financing, and global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues.

In addition, as the health and safety of the Company's employees, contractors, visitors, and stakeholders are the Company's top priority, the Company will monitor developments with respect to COVID-19, both globally and within its operating jurisdictions, and will implement any such changes to its business as may be deemed appropriate to mitigate any potential impacts to its business and the stakeholders. Such changes may include, but are not limited to, temporary closures of the Company's site exploration activities or offices and deviations from the timing and nature of exploration plans.

The Company is taking the necessary measures to renegotiate, if required, any contractual obligations with respect to exploration and other expenses. The Company will also examine the internal controls required for a secure operation of its computer and other electronic resources from a remote location.

Provision for contingent liability and its reversal after the successful outcome

On October 23, 2018, the Canada Revenue Agency ("CRA") notified the Company that it would conduct an audit of the BC Mining Exploration Tax Credit ("BCMETC") with respect to that flow-through financing conducted during 2016, affecting the taxation years 2016 and 2017. For that 2016 flow-through financing, an amount of $434,600 was raised and the Company committed to renounce the same amount to the investors through Canadian Exploration Expenses ("CEE") to be incurred before the end of 2017.

On March 1, 2019, the CRA concluded its audit and issued a letter to the Company proposing a reclassification or reassessment of $366,730 as Canadian Development Expenses ("CDE"), which CRA determined could not be renounced to investors, leaving only the remaining $67,870 as qualifying CEE. The CRA based its conclusion taking the position that expenses in mineral properties held under option agreements cannot be treated as CEE, and should be treated as CDE instead.

After obtaining advice from a law firm specializing in taxation issues, the Company submitted a response to the CRA outlining arguments by which the Company challenged the position taken by the CRA and requesting that the ruling be reconsidered.

As the Company had provided indemnity agreements to the investors that participated in the 2016 flow-through private placement, the Company would have been required to refund any personal tax reassessed to its investors. The Company estimated this amount to be equal to 50% of the amount denied, or $183,365, a reassessment of the BCMETC of $21,397 and $2,500 in fines, adding up to the $207,262 that the Company had set up set up in 2018 as a provision.

On December 6, 2019, the Company received the response from the CRA, agreeing with the Company's position and reversing the proposed reassessment, and only requiring a reclassification of $7,112 of its Canadian Exploration Expenses ("CEE") to be treated as regular expenses.

Therefore, the 2018 provision of $207,262 was reversed.

Transactions with related parties:

The following transactions with related parties took place:

	Three months ended December 31		Year ended December 31	
	2019	2018	**2019**	2018
	$	$	**$**	$
Management fees paid to a company controlled by the CEO of the Company *	**24,000**	24,000	**96,000**	96,000
Management fees paid to a company controlled by the CFO of the Company	**9,000**	7,500	**36,000**	30,700
Stock-based compensation recorded for stock options granted to directors and officers of the Company (non-cash expense)	**-**	-	**33,859**	10,028
	33,000	31,500	**165,859**	136,728

No amounts were payable to related parties as at December 31, 2019 or 2018.

Management is of the opinion that these transactions have occurred in the normal course of operations and they are measured at the exchange amount, being the amount of consideration established and agreed to by the transacting parties.

Outstanding Share Data

As at April 24, 2020, the Company has

a) 31,729,009 common shares issued and outstanding; and
b) 3,080,000 stock options outstanding and exercisable at a weighted exercise price of $0.06.

Off-Balance Sheet Arrangements

None

Proposed Transactions

None

Changes in Accounting Policies

The Company has not made any changes to its significant accounting policies, as described within Note 2, of its annual audited financial statements for the year ended December 31, 2019, except for the implementation of IFRS 16, Leases (note 2(m) to the consolidated financial statements), becoming effective on January 1, 2019 as required by the International Accounting Standards Board ("IASB"), and the addition of an accounting policy for plant and equipment (note 2(o) to the consolidated financial statements), as some computing equipment was acquired during the year.

Changes in Accounting Policies (continued)

IFRS 16, *Leases*

The Company adopted IFRS 16 effective January 1, 2019 using the modified retrospective approach. In accordance with the transition provisions in IFRS 16, the new rules have been adopted retrospectively with the cumulative effect of initially applying the new standard recognized on January 1, 2019. The comparatives for the 2018 reporting period have not been restated and are accounted for under IAS 17, Leases, and IFRIC 4, Determining Whether an Arrangement Contains a Lease, as permitted under the specific transitional provisions in the standard. The transitional adjustments arising from the adoption are recognized in the opening balance sheet on January 1, 2019.

Upon adoption of IFRS 16, the Company recognized lease liabilities in relation to a sublease for office space which had previously been classified as "operating lease" under the principles of IAS 17 – Leases under which these lease payments were recorded as expenses as they were incurred. Under IFRS 16, these liabilities were measured at the present value of the remaining lease payments as at January 1, 2019, discounted using the Company's incremental borrowing rate. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 10%. The associated lease liability recognized as at January 1, 2019 was $44,041.

An associated right-of-use asset for the lease was measured at the amount equal to the lease liability on January 1, 2019. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method). Please refer to note 2(n) to the consolidated financial statements for the year ended December 31, 2019.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the consolidated statement of loss during the period in which they are incurred. Depreciation is provided using the straight-line method with a three-year depreciation for computing equipment.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended December 31, 2019 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

Financial Instruments

The Company has classified cash, other receivables, and trade payable and accrued liabilities at amortized cost; marketable securities as FVTOCI, and warrants as FVTPL.

Fair values

As at December 31, 2019, the recorded amounts for cash, other receivables and trade payable and accrued liabilities approximate their fair values due to their short maturity. The Company's marketable securities and warrants are measured subsequent to initial recognition at fair value on a recurring basis. These financial instruments are grouped into Level 1 to 3 based on the degree to which the significant inputs used to determine the fair value are observable. Marketable securities are classified within level 1 of the fair value hierarchy as their fair value measurement is derived from quoted prices in active markets for identical assets. Warrants are classified within level 2 of the fair value hierarchy as their fair value measurement is derived from inputs other than quoted prices included within level 1, that are observable either directly or indirectly. No financial instruments were considered level 3, which are fair value measurements derived from valuation techniques that include significant inputs that are not based on observable market data.

Interest rate risk

The Company's cash held in financial institutions earns interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a material impact on the expected cash flows.

Credit risk

The Company has its cash deposited with large, federally insured, commercial financial institutions, and therefore exposed to minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities and through the management of its capital structure. At December 31, 2019, the Company had cash of $895,320 (2018- $1,213,872), trade payable and accrued liabilities of $71,888 (2018 - $26,449), a lease liability of $15,417 (2018 - $nil) (note 2n), and a provision for a contingent liability of $nil (2018 – $207,262) (see above under *provision for contingent liability*).

Currency risk

The Company keeps approximately 5% of its cash in US dollars. A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's working capital by approximately $4,000, with minimal impact to its net income (loss) for the year as there are virtually no transactions in US dollars.

Price risk

The Company is exposed to price risk on its marketable securities and warrants due to fluctuations in the current market prices and fluctuations in trading volumes of those securities. At December 31, 2019, the Company held marketable securities with a fair value of $16,700 (2018 - $25,980, including warrants). These investments are subject to market price fluctuations that can be significant.

Critical Accounting Estimates

The Company makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. The following are the areas of estimate and judgment applied by management that most significantly affects the Company's financial statements. These estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Resource properties: The carrying values of the Company's mineral properties are reviewed by management quarterly, or whenever events or circumstances indicate that their carrying amounts may not be recovered. Management considers potential impairment indicators including, but not limited to, changes in commodity prices, plans for the properties and the results of exploration to date.

Risk Factors

The Company is subject to a number of risks due to the nature of its business and the present stage of exploration projects. The following factors should be considered:

Mineral Exploration and Development

The Company's properties are in the exploration stage and are without a known body of commercial ore. Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in the discovery of a body of commercial ore on any of its properties. Several years may pass between the discovery and the development of commercial mineable mineralized deposits. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Trends

The Company's financial success is dependent upon the discovery of mineral resources which could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as market value of the products produced and availability of capital from the public market place. Other than as disclosed herein, the company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's results or financial position.

Operating Hazards and Risks

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in any of which events the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operation or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Environmental Factors

The Company conducts exploration activities in various parts of Canada and the United States. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including, in some cases, posting of reclamation bonds. Extensive environmental legislation has been enacted in Canada by federal, provincial and territorial governments and in the United States by federal and state governments. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any environmental hazards on any of the properties held or formerly worked by the Company. The approval of new mines in Canada is subject to detailed review through a clearly established public hearing process, pursuant to both the Federal Canadian Environmental Assessment Act and the provincial and territorial Environmental Review Agencies. Further, under such review process, there is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. Failure to comply with the legislation may have serious consequences. Orders may be issued requiring operations to cease or be curtailed or requiring installation of additional facilities or equipment. Violators may be required to compensate those suffering loss or damage by reason of its mining activities and may be fined if convicted of an offense under such legislation.

Canadian provincial and territorial state mining legislation establishes requirements for the decommissioning, reclamation and rehabilitation of mining properties in a state of temporary or permanent closure. Such closure requirements relate to the protection and restoration of the environment and the protection of the public safety. Some former mining properties must be managed for long periods of time following closure in order to fulfill closure requirements. The costs of closure of mining properties, and, in particular, the cost of long term management of mining properties can be substantial. The Company intends to progressively rehabilitate its mining properties during their period of operation, should any properties become operational, so as to reduce the cost of fulfilling closure requirements after the termination or suspension of production.

The Company has adopted environmental practices designed to ensure that it continues to comply with or exceeds all environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. The Company is currently engaged in exploration with minimal environmental impact.

Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in the Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title. Land may be transferred by the State to businesses and citizens for possession and use based on leases.

Canadian Aboriginal Land Claims

Canadian Aboriginal rights may be claimed on properties or other types of tenure with respect to which mining rights have been conferred. The Company is aware of the mutual benefits afforded by cooperative relationships with indigenous people in conducting exploration activity and is generally supportive of measures established to achieve such cooperation. While there is, to the Company's knowledge, no specific existing claim in respect of any of its properties, the advent of any future aboriginal land claims and the outcome of any aboriginal land claims negotiations or related issues cannot be predicted.

Competition and Agreements with Other Parties

The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. There is significant and increasing competition for a limited number of resource acquisition opportunities and as a result, the Company may be unable to acquire attractive mining properties on terms it considers acceptable. The Company competes with other companies that may have substantially greater financial resources than the Company. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. Changes in such regulation could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

The Company is at the exploration stage on all of its properties. Exploration on the Company's properties requires responsible best exploration practices to comply with Company policy, government regulations, and maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting license (required to prospect or explore for minerals on Crown Mineral land or to stake a claim) in any Canadian province or territory in which it is carrying out work. Mineral exploration primarily falls under provincial or state jurisdiction. However, the Company is also required to follow the regulations pertaining to the mineral exploration industry that fall under federal jurisdictions, such as the Fish and Wildlife Act in Canada and the Environmental Protection Agency in the United States.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Metals Prices

The Company's revenues, if any, and ability to attract equity financing is expected to be in large part derived from the discovery of mineral properties and the sale of minerals contained or interests related thereto. The prices of those commodities may fluctuate widely and are affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and other and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations, cannot accurately be predicted.

Management and Directors

The Company is dependent on its key management personnel. Loss of the key person could have an adverse effect on the Company. The Company does not maintain "key-man" insurance in respect of any of its management.

Conflicts of Interest

Certain of the Directors and Officers of the Company are also in their personal capacities, or as Directors or Officers of other companies, engaged in mineral exploration and development. Accordingly, exploration opportunities or prospects of which they become aware may not necessarily be made available to the Company. The Directors and Officers intend to allocate opportunities or prospects from time to time on the basis of prudent business judgment. The Directors are required by law to act honestly and in good faith with a view to the best interest of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a Director for the approval of such transaction.

Price Fluctuations: Share Price Volatility

In recent years, the international securities markets have experienced high levels of price and volume volatility, and the market prices of securities of many mineral exploration companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that the continual fluctuations in market price will not occur which may impact the Company's market capitalization as well as its ability to facilitate equity financing.

Legal Proceedings

As at December 31, 2019, and at the date of this document, there were no legal proceedings against or by the Company.

Subsequent Events

a) Kliyul and Redton properties

On January 17, 2020, the Company entered into an earn-in property agreement (the "Kliyul-Redton Agreement"), amended on April 7, 2020, with Aurico Metals Inc. ("Aurico"), with respect to the Kliyul and Redton properties located in British Columbia (jointly, "the Properties").

Kliyul is a 6,000-ha advanced exploration project located 50 km southeast of the Kemess mine and 5 km from the Omineca mining road and power line in one of the most geochemically anomalous areas for copper and gold in the Quesnel Terrane. The property contains several Minfile occurrences, including four major target areas: Kliyul, Bap Ridge, Ginger-Shadow and M39, each representing an interpreted porphyry centre over a 4 km strike length.

Redton is a porphyry copper-gold property that adjoins Kwanika Copper Corporation's (Serengeti Resources Inc. and Posco International Corporation) Kwanika property along its eastern and northern boundary. The property is road accessible in a proven porphyry belt, underlain by rocks of the Hogem Batholith within the prolific Quesnel Terrane.

Acquisition terms:

Under the terms of the Kliyul-Redton Agreement, the Company can earn a 51% undivided right, title and interest, other than underlying royalties, in the Properties by a payment to Aurico of $100,000 in cash, the issuance of 2,000,000 common shares, and incurring expenditures in the aggregate amount of no less than $3,500,000, as follows:

Cash payments to be made	Shares to be issued	Cumulative exploration expenses to be incurred	Due date	Comment
$	#	$		
To earn 51%:				
10,000	-	-	Upon execution and regulatory approval	(paid subsequent to December 31, 2019)
15,000	-	-	December 31, 2020	
20,000	-	1,250,000	December 31, 2021	
25,000	-	2,250,000	December 31, 2022	
30,000	2,000,000	3,500,000	December 31, 2023	
100,000	2,000,000	3,500,000		

In addition, the Company has the right to acquire, after the exercise of the 51% earn-in right, a 75% earned interest (an additional 24% undivided interest, other than underlying royalties) in the Properties by paying Aurico an additional $60,000 in cash, issuing an additional 1,500,000 common shares and incurring additional expenditures of no less than $3,500,000, as follows:

Cash payments to be made	Shares to be issued	Cumulative exploration expenses to be incurred	Due date	Comment
$	#	$		
To increase to 75%:				
30,000	-	1,500,000	December 31, 2024	
30,000	1,500,000	3,500,000	December 31, 2025	
60,000	1,500,000	3,500,000		

The Kliyul property is subject to 2% net smelter return royalties. The Redton property is subject to (i) a 2.5% net smelter return royalty, with the right of reducing it to 1% for $2,000,000, and (ii) a 2% royalty.

b) Stock options:

On March 16, 2020, the Company granted an aggregate of 750,000 incentive stock options to some of its directors and to a consultant. Each stock option entitles its holder to purchase one common share of the Company at an exercise price of $0.05 for a period of five years expiring on March 16, 2025. The options vest immediately, and are subject to the terms and conditions of the Company's stock option plan, and subject to the acceptance for filing by the TSX Venture Exchange.

c) Fyre Lake property

On April 16, 2020, the Company announced that it had agreed to amended payment terms to its agreement with BMC Minerals (No. 1) Ltd. ("BMC") for the option to purchase Pacific Ridge's Fyre Lake property, Yukon, as originally announced by the Company on December 28, 2016. Previously, the final payment to Pacific Ridge of $1.22 million was due upon BMC obtaining production financing for its Kudz Ze Kayah project, but in any event no later than December 31, 2020. As renegotiated, BMC will pay $250,000 to Pacific Ridge within 20 business days and will pay $1.2 million within thirty days of BMC receiving the Type A Water License for the development of its proposed ABM Mine, but in any event no later than December 31, 2021. BMC will continue to pay $75,000 to Pacific Ridge every six months until the final tranche has been paid, with the next payment being due June 30, 2020. All other terms and conditions of the agreement remain the same, including the bonus payment of $1,000,000 that is due if and when BMC's Kudz Ze Kayah property has reached commercial production for one year.

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